

HOUSE BUSINESS AND INDUSTRY COMMITTEE

January 29, 1981

SUMMARIES FOR

HOUSE BILL 224 -

Introduced by Rep. Moore, amends the law on the state's retail liquor monopoly to convert the system to an agency system. The bill forbids the opening of any new state liquor stores and the hiring of any additional personnel to operate state liquor stores. If the number of employees in a state store falls below 50% of the level on the effective date of this act, the Department of Revenue shall make an agency agreement for operation of the store with first preference for designation as agent given to persons employed in the store. Second preference would go to owners of the buildings.

HOUSE BILL 285 -

Introduced by Rep. Fabrega and others, broadens the Uniform Common Trust Act to allow any qualified bank or trust company to administer common trust funds for any affiliated bank or trust company. The bill also provides that each common trust fund is a separate and distinct entity, and each participating fiduciary has a proportionate undivided interest, but the ownership is in the trustee.

HOUSE BILL 286 -

Introduced by Rep. Fabrega, provides a state chartered building and loan association the same rights and powers as a federally chartered association. For example, federally chartered building and loan associations now may establish branches while Montana law prohibits branching by state chartered associations.

HOUSE BILL 360 -

Introduced by Metcalf and others, amends the law on special permits to allow the liquor division to issue a special license for wine as well as beer, which is allowed in the present law, to an association or corporation conducting a picnic, convention, fair, civic or community enterprise or sporting event. This bill also eliminates the minimum fee of \$30 so that a special permit for a one-day event can be obtained for a payment of \$15.

## HOUSE BUSINESS AND INDUSTRY COMMITTEE

Rep. William Ray Jensen, Vice Chairman, called the meeting to order on January 29, 1981, in Room 129, Capitol Building, Helena, MT. All members of the committee were present. Bills to be heard were HBs 224, 285, 286, 360.

## HOUSE BILL 285 -

REP. W. JAY FABREGA, House District #44, Great Falls, chief sponsor, explained HB 285 is an act to amend the Uniform Common Trust Act to allow any qualified bank or trust company to administer common trust funds, and provides exclusions. One of the ways of protecting your young children or elderly spouses is to set up a trust and have an experienced financial institution manage the fund in the way in which you would have managed it yourself. The present law has some restrictions on the way the money can be managed to the greatest benefit of the beneficiary of the trust because of the inflexibility of investing in or out-of-state, wherever you could accomplish the purposes of your investment.

LARRY LeMASTER, Trust Officer at the Bank of Great Falls of the Common Trust Fund, said under the present act they are restricted to invest trust money within the state of Montana. The proposed amendment would allow them to participate in a common trust fund out of the state of Montana. The main advantage in being able to invest out of the state is that some of the institutions manager larger funds, and by being able to participate in buying larger lots of securities, and usually being able to get a better price on the security, there is generated a better return for the trust fund that is participating. To invest small funds, \$2,000 or less, individually is costly to the trust. Brokerage rates, prices on the securities are higher.

The size of the trusts in their department don't have the volume that would enable them as individuals to ever participate out of state. They would appreciate the opportunity to invest these small trusts in a common trust if the opportunity or necessity arises.

OPPONENTS: None

## QUESTIONS -

Rep. O'Hara - How does this work? Rep. Fabrega - The fact that they can invest in a common trust fund out of state instead of having to buy a specific issue enables a small trust fund to share in more than one stock. You buy units within the investment portfolio of that common trust fund so you have a mix of stocks you could not begin to buy with a small trust. If you have a trust of \$3,000, you buy \$3,000 worth of the \$1 million package. For specific small trusts the cost of administration is charged against each individual trust resulting in high brokerage fees and very little return to the beneficiary. A common trust costs less to administer proportionately. The purpose of the trust is for the benefit of someone else.

Rep. Schultz - With a common trust, you can buy a large volume of stock. How do you identify your share in that, as a percentage or as shares? Mr. LeMaster - Each trust owns so many units of the whole portfolio.

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Rep. Ellison - Is there an in-state common trust fund that several banks participate in? Rep. Fabrega - Each institution has its own common trust fund. Rep. Ellison - Would we be raising the risk factor by going this way? You would be reducing the risk factor in a common trust fund. Each fiduciary is using the same trust.

Rep. Robbins - This would operate sort of as a mutual fund? There is a similarity. Most institutions use a common trust fund. This would allow them to go out of state. There are several banks which have substantially larger trust departments in the state. They could then participate in one of their affiliate banks and operate more efficiently. They would be buying securities over the exchange, and whether they are bought here or in Los Angeles, they will buy the same securities.

Rep. Wallin - How do you invest the value of real property that is left in such a trust? They just invest cash in the trust, Mr. LeMaster said.

Rep. Fabrega - Each bank had to have its own trust fund department. The Northwest Bank trust fund which is in Helena would also be able to participate in the larger trust fund affiliate.

Rep. Metcalf - Why has this not been allowed before? Rep. Fabrega - There have been no common trust funds - each bank handled its own. The only stock that you can possibly invest in Montana would be Montana Power Company stock. Everything the bank buys is ATT. You might only be able to buy one stock and if it takes a nosedive, that is too bad. Through a common trust a small trust can enjoy the same diversification as a large trust.

Rep. Schultz - Do they take title to that stock? Mr. LeMaster - they take physical possession of the trust and manage the funds.

Rep. O'Hara - Would other financial institutions be allowed under this? Rep. Fabrega - Anyone that has a fiduciary relationship can invest in that trust fund. This would be restricted to affiliates because you usually don't invest in someone else's operation. As of January 1 savings and loans will be able to carry trust powers and would be included.

KEITH RADEBON, Conrad Bank is an affiliate with the Montana Bank, and he said this would specifically allow them to participate in larger trust funds giving them economy of scale and expertise to manage a certain kind of a fund. Rep. Fabrega - The difference here is that a pension fund is a kind of living fund. They are people who can direct from the outside and can give new directions to how the fund is managed to provide maximum security. The Prudent Man Rule is exercised in these cases.

Rep. Fabrega closed.

HOUSE BILL 286 -

REP. W. JAY FABREGA, House District #44, Great Falls, sponsor, said HB 286 would provide a state-chartered building and loan association the same rights as a federally-chartered savings and loan association with the approval of the department. The savings and loan associations can now issue NOW accounts. The S&Ls had always paid interest on your deposit and now you can write checks against that.

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This is a simple way to do it. It is a little easier to set up a state-chartered savings and loan by coming to Helena rather than going to Washington, D.C.

KEN NEILL, Fidelity Savings and Loan Association, Great Falls, supports HB 286. Federally chartered savings and loans are subject to the rules and regulations of the government or regulations of the federal home loan bank board. State-chartered S&Ls are covered by your legislation and are under the supervision of the state department of business regulation.

A new S&L has been authorized in Kalispell. The existing building and loan code is out of date and they have a choice of enacting a whole sweeping building and loan code or adopting this. Twenty-two states have elected to take this option. Very similar provisions are in our credit union code. The example of the NOW account is a good one to show the situation that we could be placed in. Congress passed this sweeping legislation last May providing that federally-chartered savings and loans could issue NOW accounts but state-chartered could not. We would be 3-4 months behind, and also suppose that legislation had passed a year previous, we would be over a year behind. They ask the committee to consider passing what Rep. Fabrega clearly referred to as a simple way of allowing state-chartered savings and loan associations the same rights as federally chartered associations.

OPPONENTS: None

QUESTIONS -

Rep. Ellison - Is there any way a state-chartered S&L could charter under the federal? Mr. Neill - They can convert to a federally-chartered S&L, but they are very comfortable with being state-chartered. Federally-chartered savings and loans are under the supervision of the federal government, and they are under the supervision of the department of business and regulation. They are handy here and it is easy to deal with them. They want to exist as a state-chartered S&L. There are no regulations adopted by the state department of business regulation which is also a problem.

Rep. Ellison - If there is only one operating in the state at the present time, he wondered if it is worth the time and expense the state is putting out just to control one small organization. Mr. Neill - Didn't think there is any more burden on the department in examining and keeping track of their activity than there would be for a credit union or another bank. They wouldn't create that unique a situation. Rep. Fabrega - There isn't one for the state-chartered S&Ls, the same one for banks and credit unions comes under the same examiner.

Rep. O'Hara - Did you mention that the department of business regulation doesn't adopt any regulations? Mr. Neill - They haven't adopted any regulations. This would be a simpler way than adopting sweeping regulations or adopting a whole new code. They don't have any written rules and regulations. They are operating under the state code and under the state department of business regulation, and the federal government has no authority over them.

Rep. Kitselman - There are some advantages for you to be a state-chartered S&L and at the same time you have a choice to be a federally-chartered S&L, but you want the same rights and privileges as the federal.

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Mr. Neill - You are correct, but don't know of any great advantages that exist under the state code on their behalf. Maybe there are some. They are not looking for any advantage - they are looking to be able to operate as a state-chartered organization. Rep. Fabrega - The fact that there are one or two is the reason that the codes have not been updated. It takes a certain amount of pressure and effort to change the laws. Rather than becoming a fighting minority within the system, all the S&Ls went the federal route because they have a tremendous amount of clout. The merit of being state-chartered is that you can get to Helena and are closer to home rule. In the area of insurance under federal S&Ls, you carry one type of insurance and the state S&Ls carry another insurance.

GARY BUCHANAN - State organizations carry a million dollar bond and when people come in they can be notified that the S&L does not have the individual insurance, but are bonded. They are also limited by state law as to what they can do with their money. They can invest in mortgages and in government-backed securities.

Mr. Neill - Fidelity has been a very small S&L and for the past year or so they have been in the process of turning it into a competitive S&L and have always been state-chartered, but they can see what is going to happen to them with the present competition.

Rep. Ellison - It is possible to establish a smaller S&L association under state law than under the federal charter? Mr. Neill - You are probably correct. A federally-chartered S&L in order to obtain a charter, would have to have a substantial amount of depositors. Rep. Fabrega - It takes 750 depositors and a capitalization of \$1 million. State-chartered S&Ls would be a viable alternative, especially in the rural areas to compete with a co-op.

Rep. Jensen - How small could a state-chartered S&L be to start a S&L?

Rep. Robbins - If this bill is adopted, and went to state S&Ls, wouldn't that set up another level of bureaucracy? Mr. Neill - Thought that is possible. In fact, he heard some of the people from other S&Ls may be going back and becoming state-chartered. They haven't affiliated with a building and loan association. A building and loan association puts their money together and lends it out so somebody can build a house. You don't have stockholders, share-holders are their depositors. He really thinks there is a place in state law for building and loan associations.

Rep. Harper - We have no policy to follow. Often we allow agencies to adopt rules and regulations from the federal by just putting them in from the Federal Register. People have no idea when the law is changed. Rep. Fabrega - State-chartered credit unions are granted by reference the same privilege as the federally-chartered. Rep. Harper - You are saying the state is going to follow the federal at the discretion of the department. No longer can you go to the state codes to find out a state law. You now have to go back to federal law and probably to the code and federal regulations. You make it extremely difficult to track just what is in state law. How much actual printing and state law are we saving? If we allow a right or privilege that is contradictory that would be passed through rules, the department would object to it. We are adopting a law by reference. Mr. Neill -

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We are adopting federal legislation by reference, some of which is very broad. It may be more difficult to track (it has to be in the public interest), but much of the language would be written. It may be more difficult to find the federal rules and regulations, but we have this in a lot of areas, such as the application of federal antitrust law to a business in Montana. The rules and regulations are somewhere and they are available.

Rep. Fabrega closed saying this was the approach recommended by the state department of business regulation. It is important legislation because it would allow them new powers they could use in doing business with increased competition from other financial institutions. They could charter as a federal unit or go out of business just because congress keeps changing things so fast and we don't have time to react and there isn't enough clout behind them. If this doesn't pass, they have the ability to charter as a federally-chartered institution.

#### HOUSE BILL 360 -

REP. JERRY METCALF, House District #31, Helena, chief sponsor, said HB 360 offers an amendment in order to not require separate permits for wine and beer. Under present law the liquor division can issue a special permit on application to sell beer at picnics, etc. The fee is \$15 per day with a 2-day mandatory minimum. This bill would include table wine and would eliminate the 2-day requirement. The permit would now be just \$15. In many cases people just want a one-day permit. There are about 750 permits issued a year. The Kiwanis Club gets a permit and their proceeds go to many worthwhile projects. Since the wine permission has passed, most of the statutes have been interpreted to just put table wine on a par with beer for these special permits.

DOUG OLSON, Broadwater Productions, Inc., doing business as the Grand Street Theatre, Helena, was advised by the liquor control division and the department of revenue they could not have a function where wine was served although no charge was made. They had to approach a licensee who had applied for an all-beverage and catering endorsement which costs \$250, \$40 for each event they went to was their charge.

The Historical Society at times has wine and cheese parties. There has been a great increase in the consumption of wine in the state. In order for wine-tasting organizations to have their seminars, they have to have a permit also. Many people are under the mistaken impression that if they don't charge, they can give it away free. It is their understanding that this is not so. They do not think it will detrimentally affect the liquor industry as a whole. It may increase the consumption somewhat in the wine distributorships because they cannot go out and purchase from an individual, whereas if they receive a permit it may apply to a beer wholesaler and they can buy the beverages at cost. They have no pecuniary interest in HB 360. They support HB 360. See further testimony on his witness sheet.

LEONARD B. ECKEL, President of Les Amis du Vin, "Friends of Wine", supports HB 360. See his testimony on EXHIBIT A.

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## OPPONENTS -

BOB DURKEE, representing the Montana Tavern Association, said they have historically opposed granting of special licenses. This bill affects a lot more than just the Grand Street Theatre. It would be a fiscal organization whether for profit or nonprofitable. He does support the fees. In eliminating the 2-day guarantee, people have to have the license and go buy the product from the distributor which requires one day. Your event is the second day, and the third day you have to take care of what remains. You will probably be selling wine for three days on a one-day permit. It costs more than \$30 for the investigation by the liquor division as to the suitability of the occasion, particularly when it is out of town. It is a cost-covering charge - that was why it was a minimum of \$15.

He asked the committee to give some consideration to reducing the fee of \$800 on an all-beverage license.

## QUESTIONS -

Rep. O'Hara - What is the difference between table wine and fortified wine. LEON MESSERLY, Liquor Division Director, said table wine is naturally fermented and is less than 14%. Rep. Fabrega - When wine reaches 13%, it quits fermenting. He asked Mr. Messerly to comment on reducing the cost of the license. Mr. Messerly - Investigation division is required to view each situation. It costs \$30 perhaps to issue a permit, perhaps a bit more because of gasoline costs on the inspection.

Rep. Ellison - If a person had a catering license and some civic organization asked to use the permit, could that licensee give him permission? Mr. Messerly - The licensee could actually pay the \$40 state fee and if a minor was served or after 2 o'clock, his license would be in jeopardy even though it was not charged for. They do a good job of policing their own industry because of that.

Rep. Harper - Would there be any other way besides this that the Grand Street Theatre could handle this? What is the difference between wine and beer? Mr. Durkee - This is another attack on our business. They oppose special permits. He called the control division and asked about how many catering permits had been issued, and those permits included not only those functions, but all kinds where all kinds of beverages were served. it seems to be an area that the public wants to comply with, but there is no direction in how to do this.

Rep. Fabrega - If you sell beer or wine, you have to get a permit. Legally you can not give a grand opening and serve beer or wine because you have no jurisdiction over someone that is not licensed. Mr. Messerly - This would decrease the revenue from the sale of permits.

Rep. Metcalf - \$15 per day - many of these events go 3-4-5 days, so it would not be cut in half.

Rep. Ellison - Have enforcement power over a permittee. Might be seeing a lot more applications if the special permit privilege is extended.

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A fiscal note is to be requested.

Rep. Metcalf closed saying the law is very clear in the matter of selling wine - it has to be \$15 for each day that beer or wine is sold. Selling wine at keggars - beer is such a lucrative item, and there is a lot of trouble with wine bottles, etc. The corporations want to have a champagne dinner and were having a grand opening so they could give it away.

The fee question is \$15 per day and probably the majority are for more than one day events. This would help bring a lot of people who are doing this illegally now to do it legally.

#### HOUSE BILL 224 -

REP. JACK MOORE, House District #41, Great Falls, chief sponsor, said HB 224 provides for the transition from state-operated state liquor stores to state liquor stores operated as agencies by forbidding the hiring of any additional personnel, and when the number of employees in a state store falls below 50% of the present level, the department of revenue shall make an agency agreement for its operation with the present employees having first preference to be designated as agent, then the owners of the building would have second preference.

Total revenue from the liquor stores went up from \$5.5 million in 1979 to \$5.8 million in 1980, an increase of 4.3%. The total revenue in 1979 was \$22.2 million, and in 1980, \$20.7 million. There could be a total of 30 agency stores out of a total of 81 within the state at the present time. Those stores employ 185 FTEs. The sales range from a gross of \$66,000 per year to a \$2.6 million; there are four stores that had over \$2 million gross; 9 stores had over \$1 million, and 12 stores had over \$.5 million. In addition to the 185 FTEs, there were a number of part-time help employed, costing \$762,779.

The proposal in this bill is that the state liquor business will operate just as it is right now, but will become a privately operated store. By converting these to agency stores, we do not have to pay the salaries of the employees and their benefits, and do not have to pay lease or rent or utilities or anything else concerned with the operation of that store, so in the long run profits would be expected to go up by elimination of business expenses and by allowing people to operate state stores as a private enterprise.

#### OPPONENTS -

LONNY MAYER, UFCW, Missoula, which covers the state of Montana, does represent the people in the liquor stores. He is opposed to the state going out of the liquor business. This bill has come up every session. Liquor stores have been taken out of the political patronage system and the money has gone into the state funds. They have lost wine sales, and because of the recession every other business has lost sales, too. They oppose that if you get down 50% in help you make them into agency stores. If you lose a part-time person you automatically become an agency store.



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You will lose more money in revenue because of the recession. There is a lot of money that goes through them into the general fund to help run the state, and a lot of employees could lose their jobs and their benefits.

BOB DURKEE, Montana Tavern Association, does not oppose the concept, but basically the service to their licensees. During the holiday periods, it is very difficult to get supplies to conduct their business. There are long lines in the stores and they will be compounded in an agency store. Adequate supplies might not be maintained in the agency store. If it is conducted as it is now, that would eliminate that problem. A few shelves in another store, and this opens the door to grocery stores becoming agency stores. He doesn't agree with the preference. The landlord would have the first preference. He would allow the licensee to become the agent in the stores. There should be some criteria as to whom becomes the agency store.

#### QUESTIONS -

Rep. Pavlovich - Wouldn't it be simpler just not have any state liquor stores? Rep. Moore - Thinks this is an initial approach to doing that over the years. Rep. Pavlovich: We would have the state in control of the liquor here and could pick it up ourselves. Rep. Moore - Agrees, but it should be done 3-5 years down the road.

Rep. Robbins - Number of personnel in the state could be an established level. In the smallest stores, if they are down to one-half of the usual number, they would come up for an agency store; they have converted many stores already.

Rep. Bergene - How would you approach the possibility of a grocery store becoming an agency store? Rep. Moore - Whoever the agency is should be in the most convenient location for an agency store. It could be a drugstore or a grocery store - the location is for the convenience of the customers. Whoever was the agent would be for the convenience of the public.

Rep. Ellison - Are they on a flat percentage basis? Rep. Moore - They put them out for bids and they are paid a percentage of the gross business of that store and normally it is 10%.

Rep. Harper - In the new section 2 at the top of page 2, larger liquor stores - what if 1/2 the people quit and there is provision against hiring FTEs? Rep. Moore - if over half dropped off, it would be up for an agency store. Rep. Harper - How long could they continue to operate? How long does it take to negotiate an agency store? Mr. Messerly - It takes about 60 days to get the information required. It wouldn't shut down until the agency store is ready to operate.

Rep. O'Hara - It comes under the act right now without the amendments. Rep. Moore - We were instructed in the appropriations bill to convert non-profit stores to agencies. There are 35-36 locations of small agencies to be converted to agency stores.

Rep. Manning - We would be doing the same things we are now whereby the state supplies the booze, etc., and you operated under a 10% guarantee.

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Rep. Moore - There would be no change with the operation except that at the retail store level in lieu of it being a state-operated store, it would be in the hands of a private system. The ordering system, pricing, etc., would all be the same.

Rep. Schultz - Do you see a problem of stocking? Do you supply consigned stock at these agency stores? Rep. Moore - It is consigned stock.

Rep. Robbins - These agency stores are put out for bid? Mr. Messerly - It is not necessarily a bidding proposition. It would be advertised in a local community asking for applications. Backgrounds would be checked and it would be given to the most qualified person in their view.

Rep. Pavlovich explained if you have one of these agency stores, you supply the location and everything except the liquor.

Rep. Wallin - Is there any problem with the hours that state stores maintain? Rep. Robbins - We keep different hours from the state-owned stores. We just keep our own hours and cut sales off at 6 o'clock at night rather than hire more help because it is more economical.

Rep. Ellison - He had the building and had more business space so he got the agency.

Rep. Fabrega - What kind of a problem do you see with the new quota system for agency stores? Rep. Moore - This does not allow the creation of any new stores.

Rep. Jensen - What criteria do you use to open another store? Mr. Messerly - We look at the number of stores we have in the community and the population of the community. A population of 20,000 can support one store. If it is greater than 20,000, a second store is created. Over 40,000 could probably support three stores. That is the rule of thumb under which we have been operating. To provide additional service to communities, there should be a second liquor store, but it is at the discretion of the department of revenue. Rep. Moore - There is no provision for opening a new retail store. The department policy is to allow 10%.

Rep. Manning - There are three stores operating in Great Falls. What kind of a loss would you have impacted in revenue to the state? Mr. Messerly - There would be about \$130,000 difference assuming that the stores operating in the area are allowed 10%. For the largest two stores it would be a little over \$900,000.

Rep. Wallin - In what way does the underworld become involved in the liquor business? That is, where they start and get strong? Is there more or less chance of that element coming in under the agency store? Rep. Moore - They run a complete background of those that take over the agency stores.

Rep. Schultz - For those agency stores that are now going to take over, would this 10% cover costs and be less than at present? Rep. Moore - In the smaller stores it is more economical; in the larger grade of stores, it

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would actually decrease the expenses of the store. They do not reach 10% in the larger stores. It varies with how long the lease has been established, etc.

Rep. Schultz - Is there a day in the future that the 10% would not cover the cost? Rep. Moore - That may well be.

Rep. Jacobsen - Who makes the final decision on who gets the agency store? Mr. Messerly - My staff and myself will pick the most suitable operator and present this to the department of revenue director. If she doesn't approve, we will have to negotiate and present the contract to the director and then she comes into the picture.

Rep. Robbins - There are two new stores in Helena. If your retail store got too busy, would you open agency stores in other parts of the town that you think would need them? Mr. Messerly - He thinks Helena needs another state store rather than going with agency store concept. Rep. Robbins - Why haven't you done that? Mr. Messerly - The director would not give the go ahead.

Rep. Manning - Under this bill, what protection would the employees have? Mr. Messerly - They could transfer to another state store if there was an opening. But there probably won't be an opening because there is a freeze.

Rep. Moore closed offering to prepare an amendment providing for a bonding requirement for those agency stores because there could be several thousand dollars worth of liquor in some of those stores and he wants to protect that inventory.

Rep. Moore - explained HB 483 allowed a blanket guarantee of \$13 million would be provided to the general fund, but at the end of fiscal 1980 they had only deposited \$5 million, and the project would come up short. They were trying to let the department operate as a business. They also lost some spirit revenues because the consumption went down. He commended Mr. Messerly on his conduct of the stores, and wouldn't completely fault the division. He thinks the wine has cost the state some revenue.

#### EXECUTIVE SESSION -

Rep. Fabrega moved HOUSE BILL 285 DO PASS, and it was unanimously adopted.

Rep. Fabrega moved HOUSE BILL 239 DO PASS. He further moved an amendment providing an immediate effective date, and this motion was unanimously adopted. Rep. Wallin moved to amend the amendment to state the rate to be 21% as it would be unfair to ask them to carry the loss. This could be done by changing the 1 1/2% to 1 3/4% for each monthly period. This motion was defeated with Reps. Ellerd and Wallin voting Yes. Rep. Fabrega further moved Items # 1, 2, 3, 4 on the proposed amendment EXHIBIT B be adopted. Motion carried unanimously. Rep. Fabrega then reworded his

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first motion to HOUSE BILL 239 DO PASS AS AMENDED. Motion carried unanimously.

Rep. Jacobsen moved that "heavy equipment" be placed in House Bill 130. Rep. Schultz moved to postpone action on this bill, and this latter motion carried unanimously.

The meeting adjourned at 11:30 a.m.

Rep. William Ray Jensen      by  
REP. WILLIAM RAY JENSEN, Vice Chairman

Josephine Lahti  
Josephine Lahti, Secretary

J. Lahti

## VISITORS' REGISTER

HOUSE *Business & Industry* COMMITTEE

ALL 360

Date JAN. 29, 1981

SPONSOR Metcalf, S. Brown, Kessler

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME Ken Neill BILL No. 286  
ADDRESS 166 Riverview C, Gt. Falls DATE 1/29/01  
WHOM DO YOU REPRESENT Fidelity Savings Assoc Assn  
SUPPORT ☒ OPPOSE ☐ AMEND ☐

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Olson, Douglas

BILL No. 360

<sup>Address</sup> ADDRESS 727 S. Rodney St.

DATE

WHOM DO YOU REPRESENT Broadwater Productions, INC. 4/6/62 <sup>GRAND ST.</sup> <sub>THEATRE</sub>

SUPPORT ☒ OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I encourage clarification of laws relating to special permits entitled to sell alcoholic beverage to include table wine within the permissible category of alcoholic beverages that may be sold by an association or corporation conducting a picnic, fair, union or community enterprise or sporting event.

Many of the organizations who qualify for a special permit do not seek the license as a means of selling alcoholic beverages for profit but to celebrate an event and to provide beverages free to themselves or at cost.

Ex. wine and cheese parties or wine tasting groups.

Statelaw prohibits the free distribution of alcoholic beverages and therefore in order to serve wine it is necessary to procure an all beverage license who for a catering endorsement and pay a minimum \$40 fee plus the cost of the all beverage licensee's mark up. To pay the \$250 cost of the catering endorsement.

These costs make the efforts of associations to <sup>serve</sup> give away wine at no cost to those who attend its functions financially impossible.

The proposed bill will make the present laws on the service of table wine to the public reasonable so that people who now do not comply can afford to.



visual design

Re: House Bill 360

February 3, 1981

To the Committee reviewing the bill to allow non-profit groups a one-time \$15.00 beverage license:

As the president of the local chapter of Friends of Wine (60 members) and representing Montana as the regional office of Friends of Wine (chapters in Billings, Bozeman, Missoula, Butte and Helena comprising over 300 members and growing strongly), I must ask for the committee's approval of this bill. We have periodically held tastings under the existing permit process, and having complied with all the contingent requests (10 day notice, fulfilling health department stipulations, etc.), the only function of the existing \$40.00 fee is to force us to charge an additional dollar per person for our tastings plus finding an amiable tavern owner to share his/her time at a fair but nevertheless further compensation, the inevitable result is just increased costs to all concerned. Since profit is not our goal, we find the existing fee system merely an economic burden to non-profit groups. By limiting the number of permits per group to a minimal number (2-3) per year, and charging a more reasonable fee as suggested, it would appear that the livelihood by private tavern owners and their license values could not be endangered, and the State would still have the control (legal notice and sanction) required. With those thoughts in mind, we ask your support and recommendations for the approval of this bill.

Sincerely,

Leonard B. Eckel  
President

Les Amis du Vin, "Friends of Wine"



*Les Amis du Vin*

"FRIENDS OF WINE"

LEONARD B. ECKEL  
CHAPTER DIRECTOR

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HOUSE B. & T. COMMITTEE

COMMITTEE

Date \_\_\_\_\_

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.